

OPERATING PERMIT #00008  
APPLICATION FOR MINOR REVISION #00-003  
FOR  
LIMESTONE QUARRY  
WARREN, MONTANA

Submitted to:  
State of Montana  
DEPARTMENT OF ENVIRONMENTAL QUALITY

Submitted by:  
BIGHORN LIMESTONE COMPANY  
3900 E. Mexico Ave. Suite GL-10  
Denver, Colorado 80210

July 2008

Application for Minor Revision #00-003 for the Warren Quarry, Operating Permit 00008 to add 9.9 additional acres to be disturbed.

**(a) General Summary;**

Bighorn Limestone Company (BHL) has a need to revise the current permit to include additional acreage to be disturbed to facilitate a new truck dump, rail load out and haul road near the existing rail loading area. BHL currently has a contract with Montana Limestone Company (MLC) to operate a limestone quarry located near Warren, Montana. MLC has obtained a new contract to supply 150,000 to 200,000 tons of crushed sized limestone per year to Basin Electric Power Cooperative's Leland Olds Station (LOS) located near Stanton, ND. The LOS power plant is adding a wet limestone scrubber to remove sulfur dioxide (SO<sub>2</sub>) from its emissions. This wet limestone scrubber will allow the LOS power plant to comply with emission requirements of the new regional HAZE rules. Because of the economics of rail shipping, it is necessary to ship the limestone to LOS by rail on the BNSF Railway. MLC currently has a truck dump and rail loading facility but it is only capable of loading 150,000 to 200,000 tons per year. With this additional contract it is necessary to construct a truck dump and rail loading facility that can handle at least 350,000 tons per year. The limestone being loaded for the LOS power plant must be loaded on a unit train basis (100 cars). MLC also believes that the demand for limestone will continue to increase from year to year. As society continues to demand a cleaner environment, the demand for limestone as an agent for ion exchange in both reclamation work and emissions cleaning will increase. The capacity of the new truck dump and rail load out facility is being designed to handle in excess of 550,000 tons of limestone per year. In designing this project, it became apparent because of the limited space between the existing highway and railroad in the Warren area that a different facility had to be installed rather than try and modify the existing truck dump and rail load out facility. A new truck dump site will be constructed on the east side of US Highway 310, to screen and transport limestone over the top of the highway, in a closed tube gallery conveyor, to loading hoppers located west of the US Highway 310 and east of the current BNSF rail (see Exhibit L). Elevating the conveyor over the highway instead of under the highway is a function of the limited space between the highway and the rail. By elevating the conveyor over the highway MLC also increases the safety of the traveling public. Currently the limestone to be loaded on rail is trucked from the quarry to the existing truck dump and rail loading facility adjacent to US Highway 310. These trucks, pulling doubles, have to cross Highway 310 to access the load out. With the proposed facility, most limestone to be loaded onto rail cars can be accomplished without the truck traffic crossing US Highway 310. This decrease of truck traffic will help diminish the potential conflicts that can occur at the highway crossing. We believe this proposed facility will provide a safer environment for the traveling public in the Warren area.

In conjunction with this proposed facility, two new rail spurs will be built to accommodate the rail cars that will be necessary for shipping limestone by rail. These new rail spurs will not be part of this amendment as they will be controlled by BNSF and will be located entirely within BNSF existing right-of-way. The rail spurs can continue to be utilized by BNSF at mine closure.

The existing truck dump and rail load out will be dismantled and removed to make room for the new rail spurs. A temporary truck dump and rail load out facility will be installed to load rail cars for our existing contracts until the proposed facility is operational. This temporary facility will be located on MLC property near our current Fine Grind Plant. This temporary loading facility will be placed on currently permitted and bonded land. Once the new facility is complete, the temporary load out will be removed. After removal of the temporary loading facility, any land that is not needed for the ongoing operation of MLC will be reclaimed in accordance with this revision.

The minor revision includes 9.9 acres of disturbance in an expanded boundary addition. This additional area to be permitted is located near the existing rail loading area as shown on the revised Exhibit L. The area is mostly on 125 acres of land recently purchased by Dakota Coal Company (DCC), the parent company of MLC. This additional area currently is being used as range land by local ranchers. A land use change will be requested from Carbon County before construction begins. A portion of the proposed permitted area (0.3 acres) is on BNSF right-of-way and will be used for the rail loading facility. An agreement between DCC and BNSF conveying certain rights to each party will be formalized before construction begins. The proposed permit area also covers the conveyor corridor that crosses US Highway 310 and limestone surge bins for the rail load out. A portion of the conveyor corridor (0.4 acres) is located in the Montana Department of Transportation (MDOT) right-of-way. An encroachment permit from MDOT is being pursued and our initial review is complete. The new truck dump and rail load out facility will be owned by DCC with MLC acting as its operator. A new haul road from the existing quarry road to the new truck dump site will be permitted and constructed as part of this facility. A portion of the new haul road will cross a corner of the Loyning Ranch property at the point where the new haul road ties into the existing quarry road. The area of the new haul road that will be permitted and constructed on the Loyning property is 0.2 acres. The Loynings have been contacted and an easement land purchase will be entered into.

This minor revision also informs the Montana Department of Environmental Quality (DEQ) of a change in the legal ownership of the quarry itself. MLC acquired 50% share ownership of BHL. The Western Sugar Cooperative owns the other 50% of the shares of BHL. The mailing address for BHL will remain the same. The mailing address for MLC is PO Box 5540, Bismarck, ND 58506-5540.

The new acreage to be permitted and disturbed is located as follows:

9.7 acres in the NW<sup>1</sup>/<sub>4</sub> Sec 15  
T9S, R25E, P.M.M.

0.2 acres in the NW<sup>1</sup>/<sub>4</sub>, NE<sup>1</sup>/<sub>4</sub> Sec 15,  
T9S, R25E, P.M.M.

Acreage of current Permit:	491.9 acres
Additional Acreage in Minor Revision for New Truck Dump, Rail Load Out and Haul Road Area:	9.9 acres

Total Acreage w/ Minor Revision:

501.8 acres

Upon completion of mining and mining related activities, the truck dump, rail load out facility and new haul road will be removed. All waste piles and constructed berms located in the proposed 9.9 acres shall be sloped to 3:1 or less, covered with 6" of soil or another approved growth material and seeded as stated in the current reclamation plan.

**(b) a statement of the applicants rationale for asserting non-significance pursuant to 82-4-337(7) MCA;**

The disturbance associated with this minor revision will result in 9.9 acres of new disturbance for the proposed truck dump, rail load out and haul road. Impacts to soil, water, wildlife and other resources are minimal and consistent with the current operations. A cultural resource inventory was conducted in the area for these 9.9 acres by Allen Burns in April 2008 (see report in Appendix O). Two historical sites were recorded as a result of this recent cultural resource investigation. A trash dump site was identified which is not eligible for nomination to the National Register of Historic Places. Therefore, this trash dump site has a determination of no effect. The second site discovered by Allen Burns is an abandoned railroad bed. This site is eligible for nomination to the National Register of Historic Places but because of its location and previous disturbance, the site has a determination of no adverse effect from our truck dump, rail load out and haul road.

In January 2008, Element Occurrence (EO) records for Species of Concern were obtained in the vicinity (3-4 mile radius) of the truck dump, rail load out and haul road from the Montana Natural Heritage Program (MTNHP). MTNHP's data base contained EOs for six species (one plant, four birds, and one mammal), an Inferred Extent Report for one additional mammal and two Ecological Site reports. Two field surveys were conducted in the area to try and locate any species of concern as listed in the EO's. One survey was conducted by Bighorn Environmental Sciences for any plant life that would be a concern. No designated rare or sensitive plant species were observed in the area to be included in the proposed permit addition. The other survey was conducted by WESTECH Environmental Services, Inc. This survey dealt mainly with the wildlife but also addressed some additional plant life in the form of habitat that is located in the area. A list of the wildlife observed is contained in the report. Only one species of concern was viewed during two surveys of the area. The species is a Brewer's sparrow and appeared to be present in the general vicinity in comparatively low numbers. This species is not habitat constrained by the proposed truck dump, rail load out and haul road. Both reports are contained in Appendix O.

BHL has been working to control noxious weeds in and around its permit area by spraying aggressive herbicides. Knapweed, Canada thistle and Whitetop have been found in and around its permit area. Weed control by BHL through its operator MLC will be aggressive to prevent spread in the disturbed areas until the revegetation matures. Control of noxious weeds will be coordinated with Carbon County Weed Department and the US Forest Service.

The addition of the 9.9 acres to the disturbed acreage of BHL's current operating permit is less than a 10 acre increase in disturbed acreage as defined in MMRA 82-4-342(g) and keeps the proposed change in the minor revision category.

**(c) identification of previous environmental analyses relevant to the revision;**

Operating Permit 00008 was issued in January of 1972 for a 10-acre permit allowing 10 acres to be disturbed by limestone mining activities. These 10 acres were permitted according to the procedures in affect at that time.

A new Permit 00008 was issued in March of 1977. This permit added 62.8 acres to the original 10 acres for a total of 72.8 acres to be disturbed by limestone mining activities.

Also in March of 1977, Permit 00008A was granted. This permit was for an additional 20 acres to be disturbed. This created a total of 92.8 acres under two permits. Permit 00008 and 00008A were issued after incorporating the standards set by the Montana Department of State Lands that were in effect at that time.

Amendment 001 to Permit 00008 was approved in August of 1996. This amendment added 100 acres to the permit area bringing it to a total of 192.8 acres. It also combined permits 00008 and 00008A and the pre-law disturbances into one permit, 00008. This amendment was issued after submittal of all pertinent data necessary to meet the DEQ's standards in place at that time.

Minor Revision 00-001 was approved in February of 2001. This revision allowed the use of lime kiln dust for backslope and fill material in the quarry. It was determined at that time that this minor revision was within the scope of the Operation and Reclamation Plan in effect at the time.

Minor Revision 00-002 was approved in December of 2002. This revision added 6.1 acres to the permit area for a total area permitted of 198.9 acres. This revision allowed the operator to continue mining the limestone deposit adjacent to the current permit. It was determined at that time that this minor revision was within the scope of the Operation and Reclamation Plan in effect at the time.

Amendment 002 to Permit 00008 was approved in June of 2006. This amendment added 293.0 acres to the permit which included 10.0 acres for the current rail load out facility. This amendment was issued after submittal of all pertinent data necessary to meet the DEQ's standards in place at that time.

Following is a summary of current permit conditions:

Permit Area:	491.9 acres
Permitted Disturbance:	387.0 acres
Current Disturbance (as of 2007 annual report):	143.8 acres
Acreage Currently Bonded:	368.0 acres

Current Bond:	\$866,990
Obligated Balance:	\$866,990
Unobligated Balance:	\$0

- (d) **a reference to prior commitments to topsoil salvage, sediment control, reclamation, and other previously approved plans or standards that are applicable to the revision;**

The current operating permit requirements applicable to this minor revision are summarized as follows:

1. All topsoil in the new area will be removed and stockpiled for future use in reclamation of the site.
2. Sediment control will be provided by the installation of control berms and a settlement pond below the new truck dump site. The outflow from the settlement pond will be a contour ditch to allow any flow escaping to sheet flow over the adjacent ground. The rail loading site sediment control is currently in place and will be maintained to ensure proper operation of the sediment control.
3. Upon the completion of the mining and mining related activities, all structures will be removed, slopes will be graded to 3:1 or less, topsoil will be spread over the area and seeded with the recommended mix.

The recommended seeding mixture obtained from Bighorn Environmental Sciences for the truck dump, rail load out and haul road area only is as follows:

Upland Shrub-Steppe			
Mid-Upper Slope Positions, Gentle Slope Gradients, Predominantly Erosional Loss Areas			
Species	Seeding Rates (PLS#/A)	Approximate Seeds/Sq. Ft. +- 10%	
<u>Grasses, Cool-Season</u>			
Indian Ricegrass	1.0-1.5	3-5	Nezpar or Rimrock
Needle-and-thread	1.0-1.5	3-4	vns
Thickspike Wheatgrass	1.5-2.5	6-10	Critana
*Sandberg Bluegrass	0.4-0.6	8-13	Hi Plains
*Prairie Junegrass	0.5-1.0	26-53	Not Barkoel
Bluebunch Whtgrss, 2 vars.	2.5-3	8-10	Secar and P-7 or Goldar
<u>Legumes</u>			
Prairie Clover	0.2-0.4	1-2	Bismark or Northern – no pods
Yellow-flowered Alfalfa	0.8-1.2	3-5	<i>Medicago sativa</i> var. <i>falcata</i> , must be this var.
Upland Shrub-Steppe Seed Mix Continued			
<u>Other Forbs &amp; Subshrubs</u>			
*Western Yarrow	0.2-0.4	13-26	N. Am. origin

Blanketflower	0.4-0.6	1-2	vns
*Fringed Sagewort	0.3-0.5	31-52	vns
<u>Subshrubs and Shrubs</u>			
Fourwing Saltbush	0.4-0.6	1	Natrona, WY or MT
Shadscale Saltbush	0.4-0.6	1	vns, northern
*WY Big Sagebrush	0.4-0.6	23-34	Plains not mountains
*Rubber Rabbitbrush	0.4-0.6	4-6	vns
*Black Sagebrush	0.4-0.6	8-12	vns

\* Indicates light seed to be placed at or near surface.

Total application rate with conventional seeding is approximately 12 pounds PLS/acre. This mix can be applied at once with a rangeland “drill.” Or as an alternative, these species can be drill-seeded followed by broadcasting of the remaining species. To use this alternative, THE SEED MUST BE ORDERED IN TWO SETS OF BAGS. Seed to be broadcast is indicated with an asterisk.

BHL will continue controlling noxious weeds as required in the current permit with coordination between Carbon County Weed District and the US Forest Service.

**(e) documentation of the adequacy of existing bonding, if appropriate;**

Operating Permit 00008 permitted conditions will change as a result of this minor revision approval as follows:

Acreage within Permit Area:	501.8 acres
Acreage Permitted for Disturbance:	396.9 acres
Current Disturbance (as of 2007 annual report):	143.8 acres
Acreage Currently Bonded:	368.0 acres
Current bond:	\$866,990

The bond will be increased to include the proposed 9.9-acre expansion of the permit. BHL will post bond for these additional 9.9 acres at the rate per acre agreed upon with the DEQ.

Obligated Balance:	\$866,990
Unobligated Balance:	\$0

**(f) updated replacement pages and permit map for the permitted plan of operations;**

BHL is submitting a narrative description of this minor revision plan and Exhibit L as replacement pages to Operating Permit 00008. The submitted replacement pages replace pages 1, 4, 7, 13, 15, 22, 27, 31 and 33, Exhibit L of the Current Permit and is dated and numbered accordingly. In addition, a new Appendix O has been added to include the Natural Heritage Report, the Cultural Resource report, the Plant report and the Wildlife report that is associated with the proposed new truck dump, rail load out and haul road area.

**(g) any necessary construction, operating, reclamation, monitoring, and contingency plans**

BHL will not make any changes to the current operating and reclamation plans as contained in the current approved permit at this time for the quarry area. The new truck dump, rail load out and haul road will have a new reclamation plan as outlined in this revision. This minor revision is to allow the MLC to continue to operate the quarry in an efficient and economical manner. This new truck dump, rail load out and haul road is necessary to allow MLC to meet its current and future contractual obligations in supplying high quality limestone to its customers.

Construction of the site will start as soon as this revision is approved. Before construction begins, all necessary permit approvals from Carbon County, the State of Montana and the Federal Government will be obtained. An approved construction storm water discharge permit will be one of the permits in place. All provisions necessary to control any storm water discharge will be employed to ensure compliance during construction while the permanent controls are constructed. Upon completion of construction, all disturbed land not being utilized by the truck dump, haul road, maintenance road or rail load out will be reclaimed with the previous stated seed mix. This reclamation will occur on all berms and settlement ponds constructed as well.

BHL will commit to following the current operating and reclamation plan as contained in the current permit and this minor revision upon approval.

**(h) an updated or comprehensive facilities map that clearly indicates all areas subject to pre-July 1, 1974 bonding levels. No action under this subsection affects a bond in effect under July 1, 1974, bonding levels.**

The current permit contains a map that shows pre-law disturbances. At this time, that is the most current information available. BHL will provide any additional information as it becomes available.

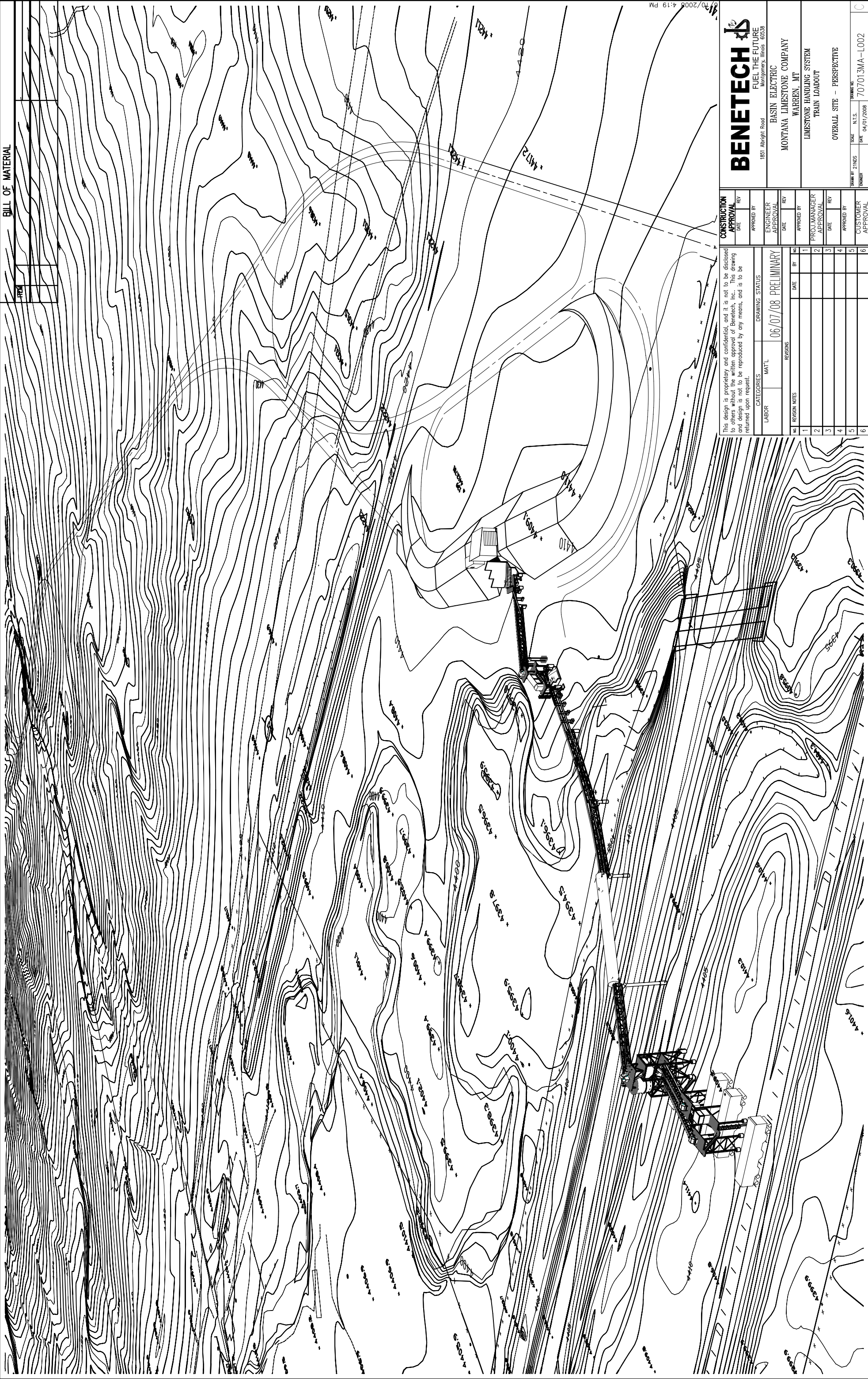
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BILL OF MATERIAL


ITEM	QTY	UNIT	DESCRIPTION



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CATEGORIES		DRAWING STATUS	
LABOR	MAT'L	06/07/08	PRELIMINARY
REVISIONS		DATE	BY
1			
2			
3			
4			
5			
6			

CONSTRUCTION APPROVAL	
APPROVED BY	REVIEW
DATE	DATE
ENGINEER APPROVAL	
APPROVED BY	REVIEW
DATE	DATE
PROJECT MANAGER APPROVAL	
APPROVED BY	REVIEW
DATE	DATE
CUSTOMER APPROVAL	
APPROVED BY	REVIEW
DATE	DATE

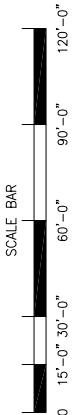
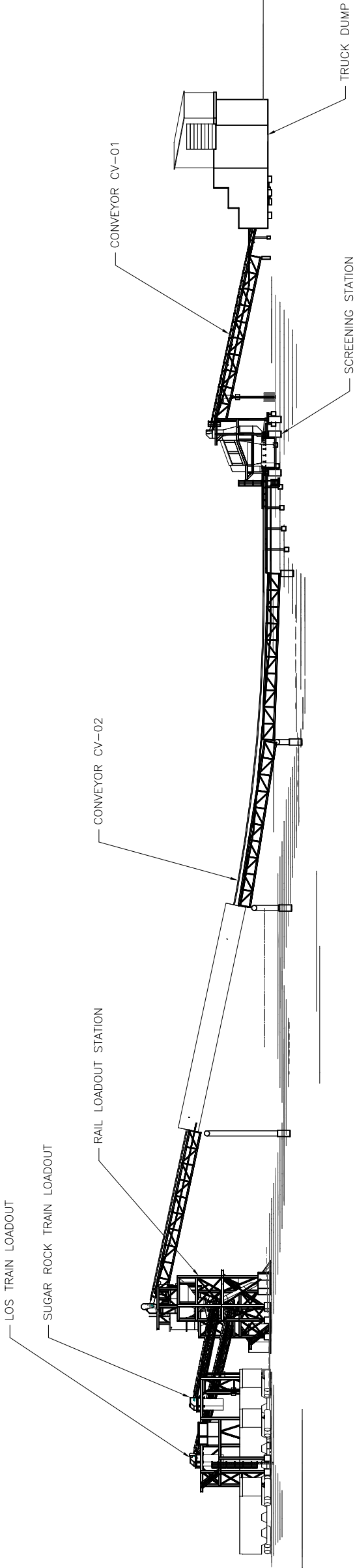


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FUEL THE FUTURE  
Montgomery, Illinois 60538

1851 Albright Road  
BENETECH  
MONTANA LIMESTONE COMPANY  
WARREN, MT  
LIMESTONE HANDLING SYSTEM  
TRAIN LOADOUT  
OVERALL SITE - PERSPECTIVE


DRAWING NO. 707013MA-L002  
DATE 04/01/2008  
SCALE N.T.S.  
DRAWN BY 21MGS  
CHECKED BY 04/01/2008  
APPROVED BY 04/01/2008  
CUSTOMER APPROVAL

BILL OF MATERIAL	
ITEM	



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		DATE	REV
APPROVED BY		APPROVED BY	
ENGINEER		ENGINEER	
DATE		DATE	
APPROVED BY		APPROVED BY	
PROJ.MANAGER		PROJ.MANAGER	
DATE		DATE	
APPROVED BY		APPROVED BY	
CUSTOMER		CUSTOMER	
APPROVAL		APPROVAL	

CATEGORIES	MAT'L	DRAWING STATUS
LABOR		06/07/08 PRELIMINARY
REVISIONS		
NO.	REVISION NOTES	DATE BY
1		
2		
3		
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BENETECH 	
1851 Albright Road Montgomery, Illinois 60538	
BASIN ELECTRIC FUEL THE FUTURE	
MONTANA LIMESTONE COMPANY WARREN, MT	
LIMESTONE HANDLING SYSTEM TRAIN LOADOUT	
OVERALL SITE SECTION	
DRAWN BY: 21MDS	SCALE: 1"=30'
ENGINEER	DATE: 04/01/2008
DRAWING NO.: 707013MA-L006	

6/10/2008 2:53 PM